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IRAQ ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT OCTOBER, 2015

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ACRONYMS

BIAP	Baghdad International Airport
BPD	Barrel Per Day (Oil)
CCR	Continuous-generation Catalytic Reforming unit
COMSEC	Council of Ministers Secretariat
COP	Chief of Party
DG	Director General
DGGC	Directorate General of Government Contracts
EPC	Engineering, Procurement, and Construction
FY	Fiscal Year
GO	Governor Office
Gol	Government of Iraq
GPS	Global Positioning System
HQ	Headquarter
IDC	Iraqi Oil Drilling Company
IDMS	Iraq Development Management System
IED	Improvised Explosive Device
IG	Inspector General
INMS	Iraqi National Monitoring System
IQD	Iraqi Dinar
ISF	Iraqi Special Forces
ISO	International Organization for Standardization
IT	Information Technology
LC	Letter of Credit
MLDW	Mobil Lube De-waxing Process
MoFA	Ministry of Foreign Affairs
Mol	Ministry of Interior
MoO	Ministry of Oil
MoP	Ministry of Planning
MRC	Midland Refineries Company
MSI	Management Systems International
NCMDIT	National Center for Management Development and Information Technology
NDP	National Development Plan
OD	Organization Development
OJT	On- Job-Training
OPC	Oil Pipelines Company
PKK	Kurdistan Workers' Party
PSC	Private Security Company
RFP	Request for Proposal
SBD	Standard Bidding Document
SCOP	State Company for Oil Projects
SOC	South Oil Company
SPP	Standard Procurement Process
SRC	South Refineries Company
ToR	Terms of Reference
ToT	Training of Trainers
UNDP	United Nation Development Program
USAID	United States Agency for International Development
USG	United State Government

SUMMARY

Oil. During this reporting period, USAID-Tarabot further developed and integrated its support to the Ministry of Oil (MoO), refining its overall vision and goals with the aim to increase oil revenues; through immediate practical solutions to existing oil sector deficiencies and problems. USAID-Tarabot is working aggressively with senior officials in the Iraqi Oil sector to overcome difficulties in project implementation and contracting by applying project management techniques, and resolving contract disputes. USAID-Tarabot is also assisting selected ministry directorates in organizational development of their contracts department, and drafting job descriptions for its staff. Coordination continues with the same selected ministry directorates to explore enhancements in the roles, responsibilities and lines of authority within MoO. Additionally, outdated, harmful, and contradictory laws, regulations, and instructions are being reviewed with the aim of transferring powers from higher to lower levels of the bureaucracy.

Procurement. In cooperation with USAID-Tarabot, the ten selected ToT graduates from the Ministry of Planning and GoI entities participated in an expert-level training course on public procurement conducted by the ILO Training Center in Turin, Italy. The ILO is the world's most highly recognized training and education institute for public procurement and contracting. This training will enable the ten attendees to apply the World Bank standards in Iraqi public procurements. The graduates from Turin will train and mentor procurement personnel in other GoI entities.

Iraq Development Management System. Lastly, the MoP continues to push forward the rollout of the Iraq Development Management System (IDMS). The system enhances the transparency and management of Iraq's capital investment portfolio, allowing more efficient monitoring and control of public funds. USAID-Tarabot and the MoP IDMS team are in the final phase of evaluating the features of the IDMS before acceptance of the system. Reports were generated, and deficiencies are being discussed with Synergy.

Events: USAID-Tarabot project engaged in a variety of activities during October:

- **Total Events:** USAID-Tarabot teams held (86) events; representing (5) workshop and (81) meetings.
- **Locations:** (60) of these events were held at locations in Baghdad, while (25) events were delivered in Basrah, and (1) event in Diwaniyah.
- **Institutions:** a total of (3) government institutions were involved in USAID-Tarabot activities in August; representing (2) ministries and (1) governorate.
- **Tarabot Technical Teams:** The Procurement Advisory Unit implemented (12) events to support ministry of planning, (65) events were implemented by Oil Sector Team, and (9) events were implemented by IDMS Team.

I. PUBLIC PROCUREMENT CAPACITY BUILDING

As part of its ongoing efforts to improve Iraq's service-oriented capital investments, USAID-Tarabot continues its partnership with the Ministry of Planning (MoP) to support the Government of Iraq (GoI) to make use of its investment budget through fair and transparent procurement systems. These reforms improve service delivery by introducing efficiency and transparency to the procurement process. They help to create an environment conducive to fair and open competition in the tendering and awarding of contracts, and build the confidence of the private sector in the government's bidding process. In the past, reliance on disorganized, paper-based systems and antiquated processes has hindered the transparency and efficiency of government procurement. The government needs to make concrete reforms to incorporate the expertise of international firms, upon which the success of complex large projects often rests. USAID-Tarabot will work with the MoP to deliver complementary capacity building activities and systems reform with the ultimate goal of establishing a unified procurement system aligned with international standards.

I.1 Ministry of Planning Capacity Building

As the chief coordinating entity for public contracting in Iraq, the MoP has been a longstanding partner of USAID-Tarabot in procurement reform, and is positioned to take the lead on Iraq's national-level procurement reform initiative. USAID-Tarabot took steps to prepare the ministry to do so through the training and anchoring of sound practices. Procurement training provided for the MoP is bolstered by hands-on experience, as MoP staff partner with USAID-Tarabot advisors to jointly conduct workshops and trainings for other GoI entities. These ongoing activities are important for MoP staff to garner knowledge about procurement and acquire training skills, which will be critical as the national reform process moves forward.

I.1.1 Development of Public Procurement ToT Program (ToT)

This month, the ten selected ToT graduates (6 males, 4 females) participated in the expert-level training course on public procurement; conducted by the ILO Training Center in Turin, Italy. The workshop aims to teach participants to plan and execute various contract administration functions for the successful delivery of goods and services per the international standards and practices of supply chain management, including forecasting procurement requirements, selecting the means and/or transport, insurance arrangements, and receipt and inspection requirements. In the first week's training, sessions focused on:

- Definition & principles of public procurement;
- Contract law;
- Key elements of a request for proposal (RFP);
- Key elements of a standard bidding document (SBD) for small works; and
- Key elements SBD for goods.



Trainer explaining the public procurement to ToT graduates in Italy

The second week's sessions focused on "Contract and Supply Chain Management", including contract administration functions for successful delivery of goods, works and services in accordance with the "scope", "quality", "time" and "money". A special

case study was organized by ILO to the Port of Venice examine systems for loading and unloading of ships.

1.1.2 Public Procurement Help Desk at MoP

USAID-Tarabot continued building the capacity of the MoP Help Desk in delivering technical assistance to Gol entities. This month mentoring focused on Standard Bidding Documents (SBDs) for consultancy services.

Additionally, the Ministry of Planning (MoP) Directorate General for Government Contracts (DGGC) assigned three of its officials to a committee established at the Ministry of Oil (MoO) to design SBDs for Iraqi oil sector contracts. USAID-Tarabot began assisting this committee in visits to the selected ministry directorates to not only train government officials on SBDs but also to collect significant input that will contribute in developing the SBDs for Iraqi oil sector.

In the meantime, USAID-Tarabot and the MoP DGGC met with representatives from the Iraqi contractors association, Iraqi national labor union and the Iraqi economics association, to collect relevant information from the Iraqi private sector on using SBDs. This will ensure buy-in from not only Gol but also key “private sector” representatives in the country.



USAID-Tarabot Refineries Advisor during a site visit to Dora Refinery



USAID-Tarabot met MoP officials to expand the cooperation on SBDs training

1.1.3 Raising the awareness of Gol entities on Public Procurement

The MoP continued to implement its 2015 procurement training plan, with a four-day workshop conducted at the National Center for Management Development and Information Technology (NCMDIT) in Baghdad. 18 government officials (14 males, 4 females) representing engineers and Contracts Department staff members from the COMSEC, and the Ministries of Defense, Finance, Higher Education, and Oil were oriented on SBDs. USAID-Tarabot's public procurement advisors and the MoP's responsible officials jointly provided the participants with two days training and information on the SBD's, while two ToT graduates delivered training sessions on SBDs on consultant services and supply goods for the other two days of the workshop.



Government Officials attend MoP Training on SBDs

2. OIL SECTOR

USAID-Tarabot continued moving forward with implementing its technical assistance program to the Ministry of Oil (MoO) and its state companies regarding high-priority interventions with the potential to bolster oil revenues.

Two workshops were conducted this month with senior officials from MoO, SCOP, OPC, SOC, SRC and Iraqi Oil Drilling Company (IDC) on customs regulations and Letter of Credit (LC) procedures for 36 officials. Led by Dr. Ihsan Al-Attar, Head of MoO steering committee and Dr. Subhi Al-Ghanem, Quality Expert and Head of the SCOP steering committee, the workshops focused on reviewing problems and issues in customs regulations and Letter of Credits (LCs), and exchanging ideas on how to overcome these issues.

Additionally, USAID-Tarabot Oil Sector team discussed PMP Certification with the ministry Senior Chief Engineer, Heiyam Abdul Wahab; for selected ministry engineers. Selected engineers will need to pass the TOFEL English exam before taking the PMP Certification course. USAID-Tarabot began coordinating with the Director of TOFEL Center, and an introductory workshop is being planned by the center and MoO to prepare the selected engineers for the TOFEL English exam.

USAID-Tarabot continued working with selected oil sector state companies to finalize their joint activities for procurement and project management, and implement activities according to the agreed upon action plan. Highlights of these activities are presented in the subsequent sections.

Oil Pipelines Company (OPC)

USAID-Tarabot activities with OPC this month focused on:

- Restructuring the company's Contracts Department, so it is aligned with the structure proposed by MoP. USAID-Tarabot's Organization Development (OD) Advisor worked with the designated committee and Contracts Manager to draft this structure. The first draft was developed and is under review for final approval.
- Drafting job descriptions and information flow processes necessary to the operation of the Contracts Department.
- Finalizing the Standard Procurement Process (SPP). Feedback was received by the DG for revisions to the timeframe between some phases in the procurement process. Amendments are underway.
- Expanding communication with international contractors and manufacturers. A meeting was conducted with the Deputy Manager of the IT Department to begin a series of technical assistance interventions on adding a webpage for international tenders, and initiating subscription to the dgMarket website.
- Collecting relevant input from the designated committee on the development of SBDs for the Iraqi Oil sector.
- Identifying constraints and problems in supervision and inspection mechanisms implemented by Board of Supreme Audit. Three main constraints were identified. These are: (1) the responsibility of the General Tax Authority, (2) the involvement of the Inspector General Office (IG) in opening and analyzing bids, and (3) the slow response from the Board of Supreme Audit to inquiries.



USAID-Tarabot discuss with OPC officials the main constraints were identified

State Company for Oil Projects (SCOP)

After last month's approval of the joint action plan for procurement activities, USAID-Tarabot moved forward with building the capacity of the Contracts Department staff regarding SBDs. Qualification criteria for analyzing bids was explained for contracts related to goods, works, and services.

In the meantime, USAID-Tarabot continued working with Dr. Subhi Al-Ghanem, Quality Expert, in various areas of development, mainly:

- Reviewing the processes, tools and methods used by SCOP in developing project schedules and progress reports; and their effectiveness in managing projects. Design appropriate interventions to increase their effectiveness.
- Collecting information pertaining to identifying the authorities that can be transferred to lower levels. A customized assessment tool was introduced and circulated to attendees for completion.



SCOP quality expert meeting with USAID-Tarabot

Mid-land Refineries Company (MRC)

USAID-Tarabot introduced chapters of the SBDs to committee staff; emphasizing how using SBDs can promote transparency, and increase competition from international and local contractors. Relevant information was gathered from committee members to take in consideration when developing the new SBDs for Iraqi oil sector.

As a result, five pilot projects were selected for the application of SBDs, from MRC's 2016 investment plan. The five projects are:

- Flare Gas Recovery (FGR)
- Waste Water Treatment project in Najaf; estimated cost US\$ 65 Million
- Waste Water Treatment project in Samawah; estimated cost US\$ 65 Million
- Nitrogen Production Unit (600 Nm³/ hr); estimated cost US\$ 2 Million
- The Mobil Lube De-waxing Process (MLDW), iso De-waxing (50-60 KTON/Y); estimated cost US \$70 Million



*USAID-Tarabot visits Nitrogen Unit
1500NM³/Hr to check on project progress*

In the meantime, meetings were conducted this month with senior staff and project managers on the technically-challenged projects and technical guidance was provided for overcoming the issues. Below are a few examples of these activities:

- Performed site visit to the construction site for the project “Nitrogen Unit 1500NM³/Hr”, and reviewed project documents such as the contract, the SOW, and the time schedule.
- Collected data for the Isomerization Unit; which is nearing mechanical completion and has started pre-commissioning. However, some materials and chemicals have not been received yet. The unit cannot begin operation until the Tecnimont Hydrogen Plant is completed. The unit will only run at 50% of its design capacity of 10,000 barrels per day because it requires a feed from the CCR unit, the implementation of which is currently on hold due to a dispute with the contractor on the engineering designs. As a result, this project was re-tendered for Engineering, Procurement, and Construction (EPC) a year ago, but the bids have not been opened.
- Reviewed the technical scope of work for the Flare Gas Recovery tender. Significant information such as the required design pressure of the system is missing. Also, the inlet and outlet pressures have been specified in such a way that could greatly increase the cost of the project
- Reviewed the implementation schedule for “Green Boiler” project, exploring the possibility of accelerating implementation. The refinery would normally require on-site hydro-testing of all pressure components except for the boilers. Two scenarios were proposed to shorten the schedule. Either to perform pre-fabrication of piping, or use air transportation instead of sea to deliver the materials. Both scenarios will be further investigated by both parties after relevant documents are studied



Brainstorming session with MRC officials to enhance the roles of MoO

Brainstorming sessions began this month with senior officials in the areas of legal, administration, finance and HR to discuss the transfer of authorities to the lower levels of the bureaucracy. With the aim to enhance the roles, responsibilities and line of authority in MoO, and its state companies, outdated, harmful, and contradictory laws, regulations, and instructions were discussed. To facilitate the process, USAID-Tarabot Regulatory Reform and Legal Advisors used a customized assessment tool to collect and document the information that will assist in further detailed discussions. The assessment tools will contribute in identifying the powers that can be transferred to the lower levels.

Additionally, USAID-Tarabot Organization Development (OD) Advisor continued working on restructuring the Contracts Department so it is aligned with the proposed structure recognized by MoP. Draft job descriptions were also discussed so it is included as part of the restructuring process.

South Oil Company (SOC)

After last month's approval of the action plan, a three-day workshop on SBDs was delivered to 14 government officials (9 males, 5 females) representing the Local Purchasing Department. Bidding documents for supplying goods were explained to participants in addition to identifying the departments/ units responsible for completing each section of the bidding documents. Much focus was also on the chapter related to selection criteria for best vendors and bidders.

As a result, participants were able to put this gained knowledge into practice by developing the bidding documents for supplying goods for the following two projects:

- Supplying of control units of the wellhead for the purpose of measuring the pressure. Estimated cost at 850 Million IQD
- Supply lighting structures. Estimated cost at 602 Millions IQD

SOC is ready to announce both these projects as they were already approved by MoP.

This was followed by a four-day advanced level procurement workshop for 39 government officials representing various departments: contracts, commercial, external purchasing, internal purchasing, projects, engineering, and designs. This advanced procurement workshop focused on modules related to selection of consultants. This included: developing requests for proposals (RFPs) and Terms of References (TORs); in addition to in-depth knowledge on type of consultancy services, standard forms for contracts, and evaluating proposals.



Procurement workshop delivered to SOC officials

Additionally, the Deputy Manager for Projects Division, and two of its engineers were oriented on the bidding documents for electro-mechanics. The purpose was to explore possible inclusion of some provisions in the SBDs for electro-mechanics as part of the technical specifications section of the tender.

In the meantime, USAID-Tarabot Oil Sector team continued assisting senior officials from SOC in overcoming technical difficulties in implementation of selected on-going projects. As an example, USAID-Tarabot participated in discussions for the following projects:

- **Construction of 8 storage tanks of 58 m3; with piping and pumping systems** integrated within the project. This project is implemented by Ibn Majid state owned company, and is located at the al Fao Tank Farm with an estimated cost of 84 billion Iraqi Dinars. Progress is at 30%, and behind schedule due to late payments from SOC (only 20 Billion Iraqi Dinar received), and changes to the required depth of tanks' foundations. While the slope tanks, piping network, firefighting system, lighting poles, and other accessories are 85% complete. The General Manager had requested urgent meeting with SOC senior officials to tackle these issues, and invited USAID-Tarabot Oil Sector team to participate in exploring solutions that can overcome the dispute. Completion of this project will help increase the export capacity of crude oil.

- **Reduce number of days of weather outages, and improve tugboat capacity and pilot in Basrah.** Based on information collected earlier, the following actions were identified as potential solutions:
 - Training staff responsible for tugboats operations, docking and loading of oil tankers.
 - Establishing Wave Reduction Systems. This project has been supported by the US Embassy since 2005 and is part of establishing a security fence around the oil terminals. Experts from Restrata and JICORE Group (global leaders in providing solutions in challenging environments) are to meet with SOC, and present recommendations, SOC has invited USAID-Tarabot Oil Sector team to participate in the meetings for consultation.
 - Purchasing Floating Dock Systems (Docking Buoys): it could be utilized for tugboats to stay within the limited port boundaries for inspection, instead of docking outside the boundaries. Therefore, the tugboats will no longer need to exit outside the harbor during rough weather.
 - Building six new Tugboats. Work was initiated by USAID-Tarabot to develop bidding documents for this project, and training will be provided to engineers and project managers on cost estimation techniques.
 - Upgrading the docking and sailing systems: five companies have already been invited to bid for this project.
 - Purchasing modern telecommunication systems for Basrah oil ports. Equipment is currently being delivered.
 - Purchasing Meteorological system for Basrah oil ports.

Additional information was also gathered by the USAID-Tarabot Oil Sector team on the following two projects that are undergoing difficulties in implementation:

- **JICA Sealine project:** SOC representatives met with the design consultancy firm responsible for reviewing and assessing the designs for this project. Findings of this assessment referred to errors in designs of four Pillars. SOC officials have recommended several technical solutions for this dispute to avoid these errors. However, the contractor insisted that the design is correct. A final report will be issued from Independent Offshore Co., and SOC will decide on the next actions.
- **Amoriyah Shipwreck:** SOC met with the contractor, Mammoet Co. at Foster Wheeler's office in Dubai, to negotiate resuming work by the contractor. Mammoet requested to amend the amount in the Letter of Credit (LC), in addition to compensation for the days where work was halted. SOC officials suggested that all these requests will be reviewed only if when the contractor resumes the work; otherwise they will be rejected. These terms were not accepted by the contractor.

Finally, USAID-Tarabot's Legal and Regulatory team met with Mr. Ibrahim Abdul Zahra, Projects Implementation Department Manager and Mr. Ali Abdul Hussien, Audit Manager to discuss the decentralization of authorities. The outdated, harmful, and contradictory laws, regulations, and instructions were discussed, as these will need to be addressed in order to enhance the roles, responsibilities, and lines of authority in the MoO and its state companies. At the end of the meeting, a draft action plan to promote delegation of authorities to lower levels was presented to site managers.



Cost estimation workshop delivered to SRC staff

South Refineries Company (SRC)

A final draft of the joint action plan for procurement activities was completed, and submitted to the newly appointed DG for review. Meanwhile, the USAID-Tarabot Oil Sector team conducted a workshop with engineers and project estimators from South Oil Company. Cost estimation techniques were introduced for the project Zubair PSI – Basrah Refinery, 32” Crude Oil Pipeline — identified by the MoO as a top priority. Estimation documents, estimation approach, practical examples and templates were explained.

This project supplies crude oil feed to Basrah refinery, with a design capacity of 800,000 Barrel Per Day (BPD). This project will raise the refinery’s production to its maximum capacity and meets its increased future planned production for the next 50 years. Participants were divided into groups and turned the knowledge gained into practice by exploring project documentation requirements, scope of work, and work breakdown structure. The project’s cost estimate was determined, and the methodology identified.

At the end of the workshop, participants compared notes to estimate the designated project’s primary cost, using two techniques “Three-Point Estimating” and “Parametric”, and calculated the final estimated cost. Results were close in value in both techniques which indicates the accuracy of data.



Introducing USAID-Tarabot procurement activities to Deputy DG

Iraqi Drilling Company (IDC)

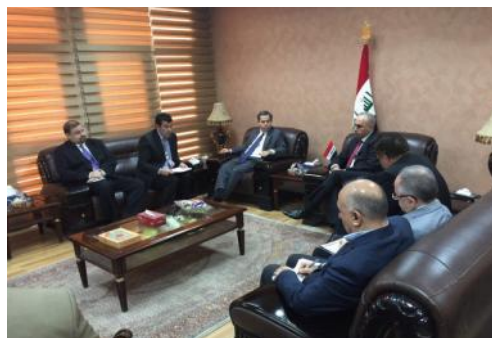
This month, USAID-Tarabot introduced its procurement activities to the Deputy DG, and Manager of the Contracts Department. A committee was assembled to coordinate with Tarabot in developing a joint action plan for implementing procurement activities. USAID-Tarabot developed an assessment questionnaire and circulated it to designated committee members for their completion.

3. IRAQ DEVELOPMENT MANAGEMENT SYSTEM (IDMS)

USAID-Tarabot continued assisting the MoP in testing the IDMS data outputs. This month, the Minister of Planning, Dr. Salman Al-Jumaili invited the U.S. Ambassador to Iraq, Mr. Stuart E. Jones, and USAID-Tarabot COP, Nael Shabaro to discuss the final launching of the IDMS. Among the present was also Deputy Minister, DGs, and USAID-Tarabot representatives.

Dr. Al-Jumaili emphasized on the MoP's efforts in expediting the IDMS throughout Iraq, and promoting the system to become the national instrument used by ministries, governorates, and provincial directorates to monitor implementation of projects. The Minister expanded the relevance of having an operational IDMS as it lays the foundation for future e-governance in Iraq; promoting transparency and reducing corruption.

US Ambassador, Mr. Jones, underlined the IDMS as another addition to the joint cooperation between both countries. He acknowledged the MoP's accomplishments during this period especially with the establishment of the Help Desk. USAID-Tarabot COP, Nael Shabaro, highlighted some of the important features of the IDMS, allowing GoI entities to coordinate among themselves and with the MoP in monitoring the life cycle of the projects, and incorporating adjustments as more resources and funds become available. The launching of the IDMS in the near future is another accomplishment for the government and its commitment to building Iraq.



USAID-Tarabot discusses IDMS with MoP Minister in presence of US. Ambassador

Meanwhile, a team from the MoP, with the support of USAID-Tarabot, delivered on-job-training to Diwaniyah governorate staff to enter data into the IDMS for on-going capital investment projects initiated in 2012. The MoP team is led by officials from MoP Government Investment Department or International Cooperation Department (depending on the project's source of finance), and supported by Iraqi sector experts. This team supervised the data entry process, provided trouble shooting solutions, and reviewed consistency in quality. The MoP, selected ministries and governorates have now completed the data entry for their on-going capital investment projects initiated in 2012.



On-job-training delivered to Diwaniyah GO staff on IDMS data entry

Sector experts from the MoP continued reviewing the accuracy of the information entered to the IDMS by the selected Ministries of Labor & Social Affairs, Construction & Housing, Science & Technology, Higher Education, and Water Resources. With the completion of this process, the MoP formed a committee responsible for testing the IDMS. This committee began generating various reports from the IDMS to ensure the system meets all MoP requirements. To do so, USAID-Tarabot delivered hands-on-training to this designated committee on generating reports from the IDMS system; and comparing the information with the reports generated manually (by paper).

During this test-run process, all features of the IDMS were tested. Deficiencies were documented, combined, and categorized into one report. This report was discussed with Synergy to begin performing the necessary enhancements. Synergy proposed to fix some of the deficiencies in the near future, while others can be included in the maintenance contract between MoP and Synergy.

This proposition is being reviewed by MoP. Once an agreement is made, a final report will be issued, and submitted to Deputy Minister for final acceptance of the system.

Additionally, USAID-*Tarabot* continued working with the IDMS committee led by the MoP Contracts Department Manager on finalizing the Terms of Reference (ToR) for the IDMS maintenance contract. Both Arabic and English versions of the ToR were officially submitted to MoP Deputy Minister for review and comments; in addition to supporting documents such as conditions for contracting, and mandatory technical specification to host the system.

Lastly, USAID-*Tarabot* received the final report from the MoP on the Iraqi National Monitoring System (INMS). This report contains a proposal for cooperation between MoP and USAID-*Tarabot* on training selected staff and operation of the INMS.

PROJECT ADMINISTRATION

Staffing, Deployment, Registration

This month, USAID-*Tarabot* local staff increased to 54 employees. Three additional expatriate advisors were deployed to Baghdad, two on emergency visas. *Tarabot* awaits the visa for one additional advisor who will deploy upon its issuance, and is in active recruitment for an additional senior level oil expert to replace an approved candidate that dropped out before his on-boarding process was finalized.

Security

ISIS activity continues in the north and west of Iraq, resulting in several incidents in ISIS-held areas. Despite progress in recapturing Baiji Refinery in the north, the Iraqi Special Forces (ISF) continues to battle ISIS for final control of this important resource and its surrounding areas. So far there has been no additional fallout from the successful Oct 22nd US-led rescue mission of Kurdish detainees from an ISIS prison in the district of Hawijah in the Kirkuk province. Tensions in the north also continue between Turkey and the Kurdistan Workers' Party (PKK), with Turkish air and ground forces increasing strikes.

Despite continuous defusing of improvised explosive device (IEDs) by ISF EOD personnel, car bombs and other IED explosions continued throughout Baghdad and the surrounding areas, though no *Tarabot* personnel are involved or have been injured.

The Ashoura holiday caused many road closures throughout Baghdad and other towns due to pilgrimages, though no major incidents occurred. Otherwise, mostly peaceful demonstrations for government reform continue throughout most of Iraq's provinces

Visas/Badges

USAID-*Tarabot* continued to follow up on the visas that were severely stalled in their issuance by the Ministry of Interior (MoI). Two of the five stalled visas were received, and in the meantime USAID-*Tarabot* has been utilizing emergency visas to the greatest extent possible to get urgently needed expatriate staff on the ground.

No new IZ badges were applied for during this period.

Property

Two disposition requests have been submitted to USAID for disposal

- First disposition request: Sallyport submitted an offer to buy the list of property (Residency furniture, office furniture, water tanks, kitchen supplies and gym equipment); which has been under their custody since MSI purchased it. Two additional offers were received by other bidders. However both were significantly lower than the offer provided by Sallyport. Though UNDP expressed interest in some of this furniture, UNDP has still not visited to inspect or pick up these items.
- Second disposition request: which includes sensitive equipment divided into two categories:
 - List of Motorola radios, GPSs & Thuraya Phones: Sallyport submitted an offer to buy them. These radios have been under Sallyport's custody since Tijara purchased them, and ownership was later transferred to *Tarabot* during the Tijara close-out. They currently remain in Sallyport custody
 - List of vests, helmets, Motorola radios, GPRS & Thuraya Phone etc....) which has been purchased by MSI. *Tarabot* is waiting for USAID instructions regarding their disposition

The disposition of 18 armored vehicles:

MSI has 18 D class Armored Vehicles. Per US Regulations these are classified and cannot be given or sold to the private sector or an alien government. They can only be given to the government or to a contractor on a USG Contract. The vehicles are registered to Private Security Company (PSC), Sallyport Global Services; because only PSCs have the authority to register armored vehicles with the Gol.

The vehicles are registered in two Iraqi Directorates, the Directorate of Registration and Evaluating the Private Security Companies (PSC) and Customs under Sallyport; which means Sallyport is legally responsible and held accountable for these vehicles. MSI proposed to return these vehicles directly to USAID Iraq, since they have ownership of them. But according to Iraqi Ministry of Interior (Mol) regulations for orange plated vehicles, the PSC must donate them to the Iraqi Government or re-export them outside the country. There is no third option.

Tarabot is in the process of requesting permission from the Iraqi government to be exempted from Mol regulation. This would allow the destruction of the vehicles locally at Baghdad International Airport (BIAP), or to be donated back to USAID. Since the cost of shipping the vehicles out of country for destruction is prohibitive, an exception from the Gol is the only option. A Dip Note was issued by the Embassy to the Iraqi Ministry of Foreign Affairs (MoFA) requesting this exception and *Tarabot* is awaiting feedback from the MoFA.